

Small NAFTA changes could have big local impact

By Brock Weir

It's time to end the bluster, get down to business, and let "saner heads prevail" when it comes to renegotiating NAFTA, according to Mayor Geoff Dawe.

Thousands of jobs in Aurora are tied into the North American automotive industry, says the Mayor, and the smallest of changes to the North American Free Trade Agreement can have a big "and perhaps negative" impact in similar communities across the country.

To that end, Mayor Dawe is urging communities from across Canada to send a clear message to Ottawa this fall that the "automotive sector is far too important to be made anything but a key priority in the upcoming NAFTA renegotiations."

Council will debate a motion from Mayor Dawe next Tuesday, September 12, calling on Councils across Ontario to underscore this key message in advocating for the automotive sector.

Mayor Dawe and Newmarket Mayor Tony Van Bynen are members of the Ontario Auto Mayors Caucus and in the last two meetings of the caucus, trade issues have been a key source of discussion.

"The Caucus felt it was very important, just as one voice, to reach out to the Federal Government and make sure the auto industry is being heard," says Mayor Dawe. "Aurora might not seem like an auto town, but we're the head office for Magna, we have Van Rob stamping and, as well as Magna's head office, we have plants and other companies like Axiom who are also in the auto industry, which represents a fair amount of jobs in Aurora."

In all, Mayor Dawe estimates over 2,000 jobs in Aurora are tied into the auto industry and it is important to underscore this fact with key decision-makers.

The renegotiation of NAFTA originally follows moves by U.S. President Donald Trump to strike a deal seen as more beneficial to American businesses. This stance towards renegotiation, however, has evolved to statements and Twitter blasts threatening to pull the United States out of the deal altogether.

His latest move earned a sharp rebuke "again, over Twitter" from Hamilton Mayor Fred Eisenberger.

Mayor Dawe is, perhaps, more diplomatic when it comes to the online threats of the U.S. President, but he is no less concerned.

"NAFTA is a very complex agreement and I know there have been discussions probably ever since NAFTA was implemented that there are some changes to be made," says Mayor Dawe. "I think it is like any other agreement that has ever been done that, yes, there can be enhancements to it, but the challenge is to separate the bluster from the reality and I try not to bluster too much."

"There is always a likelihood [of the agreement being ripped up] but when you look at the number of jobs that are affected in the border states, there are a lot of Republican governors who are very concerned about this. There are substantial ramifications for the U.S. as well. Some of the talk at our meeting was President Trump has had some challenges getting much accomplished so, I guess in some respects he needs a political win and maybe this is a political win for him."

In the end, Mayor Dawe says "Trump tends to oversimplify everything" but there is "nothing in business that is simple." There are many moving pieces of the puzzle that can be impacted by renegotiation. One example is exporting electricity from Ontario and Quebec to places like New York State that are below our costs here.

"We hope that saner heads prevail and we get over the bluster and onto some things. "It is a dangerous game when you start doing this kind of thing. It tends to impact a lot of people. It is incumbent on anyone on this side of the table in elected office to try and work out the ramifications and the law of unintended consequences and get a sense of where that might take you. The reaction is always to jump in, beat your chest and be Superman, but that is not necessarily the best long-term solution."